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SUBJECT: CDU-FDP TO FORM COALITION IN SAXONY

REF: LEIPZIG 25

Summary

11. (U) The Free Democratic Party (FDP) having won 10 percent of the vote in Saxony state elections August 30, is primed to replace the Social Democratic Party (SPD) here as preferred coalition partner for the Christian Democratic Union (CDU), which won 40.2 percent. The SDP's poor results at 10 percent, shows it is not a major party in this state. SPD party chairman Thomas Jurk announced his resignation August 31. Although the CDU can form coalitions with the SPD or FDP, its declared goal is to govern with the FDP. A CDU-FDP coalition is also in the interest of the national CDU and FDP, both of which hope the August 30 results will boost chances for a similar outcome in the September 27 national elections. End summary.

CDU-FDP Try to Pave the Way for a National Coalition

12. (U) In Saxony's August 30 state elections, the CDU is the clearly dominant party (40.2 percent -- the same as 2005), with The Left Party a distant second with 20.6 percent (- 3 percent), the SPD 10.4 percent (same as 2005), the FDP 10 percent (+ 4.1), the Greens 6.4 percent (+ 1), and the NPD 5.6 percent (- 3.6). The results mean the CDU and FDP can fulfill their shared goal of forming a coalition in Saxony, hoping to boost both parties in the national elections four weeks away. FDP politicians told us they intended to have a coalition agreement signed days before the national elections.

NPD Retains Some Seats, Despite Losses

13. (U) The right-wing extremist NPD succeeded, for the second time, in overcoming the 5 percent threshold for entry into Saxony's parliament despite a loss of 3.6 percent from their results in the 2005 elections Hard campaigning against the unpopular social reform Hartz IV gave them a boost in 2005. The party's ineffectiveness and criminal activities of some of its representatives probably disappointed some of its former supporters, although it maintained a voter base of about 100,000 people. This is the first time the NPD has managed to re-enter a state parliament.

Comment

14. (SBU) Saxony remains strong "CDU" territory even though support has waned over time -- they won 58.1 percent in 1994 and 56.9 percent in 1999. The Left Party retained its position as second strongest, while the SPD, with results similar to the FDP, is actually one of the "smaller" parties in Saxony. The results in Saxony breathe life into the notion that the CDU-FDP is a viable political constellation. Chancellor Merkel and her CDU can take some comfort from the CDU's success in Saxony, although there was never any doubt of these results here. End Comment.

 $\P 5$. This message was coordinated with U.S. Embassy, Berlin. BRUCKERK